

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**SB 149 – HB 143**

March 4, 2013

**SUMMARY OF ORIGINAL BILL:** Authorizes the director of the Division of Regulatory Boards to implement a system for electronic submission of applications for licensure, registration, renewals, complaints, and notifications for any regulatory program attached to the Division.

Requires any individual, who is required to be licensed by the Division and fails to hold such appropriate license, to pay the civil penalty as assessed by the appropriate regulatory board prior to being issued a renewal license.

**FISCAL IMPACT OF ORIGINAL BILL:**

Other Fiscal Impact – All boards, councils, and commissions under the Division of Regulatory Boards will recognize cost savings due to the provisions of the proposed legislation. An exact amount of cost savings cannot be quantified due to a number of unknown factors. Each entity is required to be self-sufficient, therefore, it is estimated that any cost savings will result in adequate revisions to the fee structure of the individual entities to recognize the decrease in expenditures.

**SUMMARY OF AMENDMENT (003779):** Corrects references to the Division of Regulatory Boards and a typographical error.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- There are currently 26 boards, councils, and commissions housed under the Division of Regulatory Boards.
- Of these 26, 22 currently offer online processing of license renewals.
- According to the Department of Commerce and Insurance, it anticipates full online processing of all licensees by FY14-15.
- According to the Department, each board will be able to absorb the cost of converting to online processing.

- Converting to online processing will likely result in a decrease in the amount of paper received and any subsequent data entry. According to the Department, there will be cost savings recognized by eliminating paper expenditures and eliminating positions which will become obsolete; however, this amount is not able to be reasonably estimated.
- Currently, if an individual fails to register or renew a license with the appropriate regulatory board and does not pay the civil penalty, the board is still required to renew or issue a new license. After the license is renewed, the board begins a revocation proceeding to revoke the license.
- According to the Department of Commerce and Insurance, the licensee will generally pay the civil penalty at this time.
- According to the Department, requiring a licensee to first pay the civil penalty before having a license renewed will result in gained efficiency by removing the need for such revocation proceedings.
- The cost to hold these revocation proceedings is passed on to all licensees, as, pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period.

#### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

/jdb